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FEDERAL COMMUNICATIONS COMMISSION
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June 21, 1994

Ex Parte

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: CC Docket Nos. 90-623 and 90-256 ✓

Today, on behalf of Bell Atlantic, Judy Evans, Larry Katz, Debbie-Anne Reese, and I met with Rose Crellin of the Policy and Program Planning Division to discuss the above proceeding.

The discussion focused on customer reaction to CPNI restrictions when conducting business with Bell Atlantic personnel. Attached is a summary of the points discussed.

Also discussed was Bell Atlantic's experience with customer notification activities regarding federal CPNI requirements. Specifically, last year, the Pennsylvania Public Utility Commission required Bell Atlantic - Pennsylvania to notify all residential and single-line business customers about the FCC's CPNI requirements. That notification resulted in just 1300 out of 3.6 million customers opting for CPNI restrictions, a .036% response rate. Only 58 single line business customers chose a restricted status.

Bell Atlantic believes that most customers simply ignored the notifications, largely because either (1) they viewed them as "junk mail," or (2) they were unable to understand the CPNI process. As a result, an expanded prior authorization requirement would simply create customer confusion, because customers will be unable or unwilling to make an informed choice.

Please include this letter in the record as appropriate.

Sincerely,



cc: R. Crellin

CPNI Rules

- **Benefit competitors, not competition or customers**
 - Inhibit effective integrated marketing
 - Little competitive advantage
 - Confuse and anger customers
 - Inconsistent with public expectations
 - Little privacy impact
- **Inhibit integrated marketing**
 - Roadblock to meeting customer needs, including one-stop shopping requirements
 - Unnecessarily increase marketing costs and personnel needs
 - Make it unnecessarily difficult to deal with Bell Atlantic
- **Little competitive advantage**
 - Few competitors request CPNI
 - Most Bell Atlantic marketing through non-targeted means or response to customer-initiated calls
 - Principal advantage of CPNI access is to give customers a single source for inquiries and ordering of all Bell Atlantic products
 - 0 Service rep. uses CPNI to assist customer in selecting package of basic/enhanced service to meet customer's needs
 - 0 Single source can help prevent adverse interactions among services
- **Confuse and anger customers**
 - Inability to get information from single source

- Don't understand or care about basic/enhanced dichotomy
- Get "run-around" when call Business Office
- Customers erroneously believe that restricting records will prevent third party telemarketing
- Attachment shows adverse customer reaction

- **Inconsistent with customer expectations**

- Customers expect all employees of integrated firm to sell all products and have access to information needed for that purpose
- Most customers expect all affiliates have access to each other's customer information (Harris/Westin study)
- Public concern focused on third party use of information

- **Little privacy impact**

- FCC already found little privacy impact (TCPA proceeding)
- Comments mainly address competitive, not privacy, issues
- No privacy issue when records used within an integrated company
- Third party telemarketers don't use CPNI
- CPNI rules affect only one part of one industry

- **Expanded prior authorization would be chaotic**

- Most consumers will ignore notice
- Result will prevent mass marketing of consumer services
 - 0 Will artificially increase voice messaging costs/prices
 - 0 Will preclude new RBOC mass marketed enhanced services
- Consumer complaints to FCC will likely proliferate

CUSTOMER REACTIONS TO CPNI RULES

The following is a sample of quotes and paraphrased statements from Bell Atlantic's customers that relate to this proceeding. The first section shows that customers expect Bell Atlantic sales personnel to be able to market the full range of Bell Atlantic products and services. The second section shows that many customers are confused and angered by the inconvenience caused by the Commission's existing CPNI rules. The business office procedures that cause customer transfers to more than one representative were prompted by the requirements of the Commission's CPNI rules.

Most of these quotes appear in Bell Atlantic's Supplemental Comments in the CPNI proceeding. Two additions are marked with an asterisk.

Customer Expectations

1. "[The people at] Bell Atlantic are the experts. Have them look at my business and provide me with the services that fit my needs."
2. Bell Atlantic "should objectively assess your present and future needs and recommend what is appropriate."
3. "The company should look for ways to improve my services to my customers with [a full range of] telecommunications products.... Think of the customer's customer."
4. "Marketing reps. should tell me what is best and most economical to meet my needs."
5. "Marketing reps. should tailor the products/services they offer for the customer's needs."

6. "Marketing reps. should contact customers periodically to check on how things are going, inquire about new needs and inform them about new services that may be coming up."

7. "The company should be proactive in contacting customers about services [and products]."

8. "We'd like to be able to pick those options that would be good for our business [rather than having to pick among all of the company's offerings]."

9. "I don't want to have to keep making decisions; give me a service and a price and be done with it."

10. "I want the vendor to put a complete package together."

11. "[Bell Atlantic should] give you a personal service representative, one person responsible for [all services in] your account. If you have a problem or a concern, you can get on the phone and he's going to be able to readily solve it."

*12. "Bell Atlantic is not easy to do business with because of the limitations of this restricted and unrestricted service."

Confusion and Anger

1. Customer annoyed and angered when sales rep. (authorized to sell CPE and enhanced services) could not access the customer's CPNI-restricted records to help remedy a repair problem.

2. Customer with CPNI restriction who called account rep. for recommendations about best range of solutions (including CPE and enhanced services) to meet business problem was confused that rep. could not access records for that purpose.

3. "It would make sense to me you should be able to customize the features by line, and [there should be] some way to easily address that with Bell Atlantic if your needs change without going through some labyrinth [of different personnel or] voice messages."

4. "The Rep. who answered the phone couldn't give me rates for Answer Call. I didn't like being transferred."

5. "I think the FCC ruling about CPNI is ridiculous and it needs to be changed."

6. "I called to get information on voice mail, and I had to be transferred.... I'd also called before and the Rep. who answered the phone couldn't answer my questions that time either."

7. "It takes a lot of time to fill out the [CPNI authorization] form in my bill, find a stamp, and mail it."

8. "I don't understand [the CPNI notification letter]. Restrict me to the max."

*9. "This is a ridiculous restriction, who can I call to tell them?"

The following are statements from Bell Atlantic Service Representatives reporting on the many complaints they have received about CPNI:

1. "Customers just don't understand CPNI."

2. "Customers tell us they don't like to be transferred, they just want to talk to one person who can look at all the records."

3. "Customers think CPNI means they'll never get another solicitation call from anyone about anything."

4. "This is no different than any other business. If a customer asks you a question, you want to look in their records to answer them."

5. "If we do not have access to a customer's record, how can we improve their services and reduce their costs? We do that all the time, change something they have to something better based on something we saw in their records."

6. "Most customers have little or no record of their services. They rely on us to tell them what they have."

7. "It's insanity that you can't look at a customer's record when they ask you a question. No other company in it's right mind operates that way."